



4004

ANNUAL REPORT

OF

Name: FRONTIER COMMUNICATIONS-LAKESHORE INC.

Principal Office: 111 E. FREEBORN STREET
CECIL, WI 54111

For the Year Ended: DECEMBER 31, 1996

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I SANDRA L. SCHOENECKER of
(Person responsible for accounts)

FRONTIER COMMUNICATIONS-LAKESHORE INC. , certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

SANDRA L. SCHOENECKER 05/03/1997
(Person responsible for accounts) (Date)

ACCOUNTING SUPERVISER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: FRONTIER COMMUNICATIONS-LAKESHORE INC.
Utility Location: 111 E. FREEBORN STREET
CECIL, WI 54111

Utility Web Site Address:

When was utility organized?: 01/01/1909

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: TODD C. SCHAFER
Title: SENIOR VICE PRESIDENT

Office Address: 26 WEST 12TH STREET
CLINTONVILLE, WI 54929

Fax Number: (715) 823 - 5715
Telephone Number: (715) 823 - 1261
Email Address:

Individual or firm, if other than utility employee, preparing this report

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: SANDRA L. SCHOENECKER
Title: ACCOUNTING SUPERVISOR

Office Address: 14450 BURNHAVEN DRIVE
BURNSVILLE, MN 55306

Fax Number: (612) 435 - 4465
Telephone Number: (612) 435 - 4624
Email Address:

Person responsible for statistical information contained in report

Name: SANDRA L. SCHOENECKER
Title: ACCOUNTING SUPERVISOR

Office Address: 14450 BURNHAVEN DRIVE
BURNSVILLE, MN 55306

Fax Number: (612) 435 - 4465
Telephone Number: (612) 435 - 4624
Email Address:

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: FRONTIER CORPORATION
Address: 180 SOUTH CLINTON AVENUE
ROCHESTER, MN 14646

Number of Shares Held: 5,238
Beneficial Owner: NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name: N/A
Form of Interest: N/A
Extent Of Interest: N/A

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,028,753	1,031,722	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	74,258	158,795	2
Plant Nonspecific Operations Expense	196,280	206,044	3
Customer Operations Expense (6610-6620)	110,424	123,864	4
Corporate Operations Expense (6710-6790)	81,968	91,118	5
Other Operating Income and Expense (7100)	0	8,457	6
Operating Taxes (7200)	257,581	223,758	7
Total Operating Expenses	720,511	795,122	8
Net Operating Income	308,242	236,600	9
Other Income			
Nonoperating Income and Expense (7300)	61,535	62,486	10
Nonoperating Taxes (7400)	12,028	12,030	11
Interest and Related Items (7500)	31,563	32,513	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	16,109	6,667	14
Total Nonoperating Income	34,053	24,610	15
Net Income	342,295	261,210	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

 2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

 3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*		1,081,093	1
Cash (1130)	(942)	0	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	0	0	4
Temporary Investments (1160)	1,156,204	0	5
TOTAL CASH AND EQUIVALENTS	1,155,262	1,081,093	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	56,120	79,505	6
Accounts Receivable Allowance-Telecom (1181)*	4,000	4,811	7
Net: Telecommunications Accounts Receivable	52,120	74,694	
Other Accounts Receivable (1190)*	131,000	145,900	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	131,000	145,900	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*		0	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	183,120	220,594	
SUPPLIES			
Inventories (1220)*	2,129	2,503	13
TOTAL SUPPLIES	2,129	2,503	
PREPAYMENTS			
Total Prepayments (1280)*		140,846	14
Prepaid Rents (1290)		0	15
Prepaid Taxes (1300)		0	16
Prepaid Insurance (1310)		0	17
Prepaid Directory Expenses (1320)		0	18
Other Prepayments (1330)	13,554	0	19
TOTAL PREPAYMENTS	13,554	140,846	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*		0	20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	1,354,065	1,445,036	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	15,950	15,950	22
Nonregulated Investments (1406)*	6,425	13,133	23
Unamortized Debt Issuance Expense (1407)*		0	24
Sinking Funds (1408)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	148,000	0	26
TOTAL INVESTMENTS	170,375	29,083	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	6,011	7,182	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	318	146	29
TOTAL DEFERRED CHARGES	6,329	7,328	
TOTAL NONCURRENT ASSETS	176,704	36,411	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	2,599,009	2,527,514	30
Less: Accumulated Depreciation (3100)*	1,753,835	1,607,406	31
Less: Accumulated Amortization--Capitalized Leases (3410)*		0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*		0	33
Less: Accumulated Amortization--Intangible (3500)*		0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	845,174	920,108	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*		0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*		0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*		0	37
Less: Accumulated Depreciation--Nonoperating (3300)*		0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	164,790	110,558	39
TOTAL TPUC	164,790	110,558	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*		0	40
Less: Accumulated Amortization--Other (3600)*		0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	1,009,964	1,030,666	
TOTAL ASSETS AND OTHER DEBITS*	2,540,733	2,512,113	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	131,423	134,355	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	1,109	1,547	3
Customer Deposits (4040)*	0	5,728	4
Current Maturities--Long-Term Debt (4050)*	54,600	50,600	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	4,368	(8,019)	7
Other Taxes--Accrued (4080)*	366	(11,027)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	6,749	13,478	11
Other Current Liabilities (4130)*		0	12
TOTAL CURRENT LIABILITIES*	198,615	186,662	
LONG-TERM DEBT			
Funded Debt (4210)*	866,321	923,591	13
Premium on Long-Term Debt (4220)*		0	14
Discount on Long-Term Debt (4230)*		0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*		0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	866,321	923,591	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	43,163	39,129	20
Unamortized Operating ITC--Net (4320)*	55,824	60,224	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	126,526	164,029	23
Net Deferred Tax Liability Adjustments (4341)*	(6,844)	(8,643)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*		0	25
Other Deferred Credits (4360)*		0	26
Deferred Tax Regulatory Liability (4361)*	12,855	15,825	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	231,524	270,564	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	52,380	0	28
Additional Paid-in Capital (4520)*	52,380	52,380	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	242,856	242,856	31
Retained Earnings (4550)*	949,037	836,060	32
TOTAL STOCKHOLDERS' EQUITY*	1,296,653	1,131,296	
TOTAL LIABILITIES AND OTHER CREDITS*	2,593,113	2,512,113	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	342,295	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	163,284	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	165,140	4
Other noncurrent assets	(147,001)	5
Other current liabilities	7,953	6
Other liabilities and deferred credits	(39,040)	7
Other (specify):		
TOTAL ADJUSTMENTS	150,336	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	492,631	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(142,582)	8
Investments in affiliated companies	0	9
Nonoperating Investments	6,708	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(135,874)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(53,270)	12
Net changes in stockholder equity other than retained earnings	52,380	13
Change in short term borrowing (net)	0	14
Dividends paid	(229,318)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(230,208)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	126,549	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

-
1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

 2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

 3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

 4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

 5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

 6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

 7. Changes in articles of incorporation or amendments to charter.

 8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Frontier Corporation	FC	1
Frontier Information Technologies, Inc.	FIT	2
Frontier Long Distance of America, Inc.	FLD	3
Frontier Infoservices, Inc.	INFO	4
Frontier Communications of Minnesota, Inc.	MINN	5
Other	OTH	6
Rochester Telephone Company	RTC	7
Frontier Communications of Wisconsin, Inc.	WISC	8

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	3010-AT-100	3010-AT-101	None	05-AT-102	
Name of Affiliate	FC	FC	FIT	FLD	1
Designate whether billed to or from:	FROM	TO	FROM	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	T	3
Revenues				900	4
Expenses:					
Plant Specific Operations Expense	1,362				5
Plant Nonspecific Operations Expense	991				6
Customer Operations Expense	1,621		68,716		7
Corporate Operations Expense	37,732				8
Total Operating Expenses	41,706	0	68,716	0	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other		64,360			14
Total	41,706	64,360	68,716	900	15
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings	0.00		0.00		17
Footnotes					

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	3010-AT-102	3010-AT-104	3010-AT-100	3010-AT-103	
Name of Affiliate	INFO	MINN	RTC	WISC	1
Designate whether billed to or from:	TO	FROM	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C	3
Revenues	18,586				4
Expenses:					
Plant Specific Operations Expense			471		5
Plant Nonspecific Operations Expense			595	3,380	6
Customer Operations Expense	5,241	12,565	2,267	4,587	7
Corporate Operations Expense		11,376	5,364	3,300	8
Total Operating Expenses	5,241	23,941	8,697	11,267	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other					14
Total	23,827	23,941	8,697	11,267	15
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings		0.00	0.00	0.00	17
Footnotes					

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
Frontier Corporation	1160	1,156,204	1
Frontier Communications of Minnesota, Inc.	1190	1,605	2
Other	1190	3,302	3
Rochester Telephone Company	1190	7,010	4
Frontier Communications of Wisconsin, Inc.	1190	52,431	5
Frontier Corporation	4010	(45,734)	6
Frontier Information Technologies, Inc.	4010	(4,235)	7
Frontier Communications of Minnesota, Inc.	4010	(5,550)	8
Other	4010	(561)	9
Rochester Telephone Company	4010	(1,335)	10
Frontier Communications of Wisconsin, Inc.	4010	(10,596)	11

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off	0	1
Uncollectibles written off during the year	9,945	2
Net write offs during the year	9,945	

NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
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NONE

Total				<u><u>0</u></u>	<u><u>0</u></u>	1
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INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
WITS Investment	15,950	1
Other:		
Total Investments in Nonaffiliated Companies	15,950	

NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
NonRegulated Plant in Service	23,879	1
NonRegulated Plant Under Construction	(127)	2
NonRegulated Accumulated Depreciation	(17,327)	3

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)
NONE	
Total	0

1

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	31,141		1
Motor Vehicles	2112	32,496		2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	24,099	2,434	6
Buildings	2121	157,953		7
Furniture	2122	27,441		8
Office Equipment	2123	13,354	0	9
General Purpose Computers	2124	19,975		10
TOTAL--GENERAL SUPPORT ASSETS:		306,459	2,434	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	724,346	12,627	12 B
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	182,674	4,130	16
TOTAL--CENTRAL OFFICE ASSETS:		907,020	16,757	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	8,022	740	20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		8,022	740	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	345		22
Aerial Cable	2421	17,119	3,252	23
Underground Cable	2422	0	0	24
Buried Cable	2423	1,262,923	64,773	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	0	44	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		1,280,387	68,069	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			31,141	1
2112			32,496	2
2113			0	3
2114			0	4
2115			0	5
2116			26,533	6
2121			157,953	7
2122	638		26,803	8
2123	3,669	0	9,685	9
2124			19,975	10
	4,307	0	304,586	
2211			0	11
2212	(175)	25,626	762,774	12 B
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	(207)	0	187,011	16
	(382)	25,626	949,785	
2311			0	17
2321			0	18
2341			0	19
2351			8,762	20
2362			0	21
	0	0	8,762	
2411			345	22
2421	0	0	20,371	23
2422	0	0	0	24
2423	12,580	0	1,315,116	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			44	30
	12,580	0	1,335,876	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	2,501,888	88,000
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	16,505	25,626	2,599,009	
2001				34
			2,599,009	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	11,499		1
Company Communications Equipment	2123.2	1,855		2
Software	2212.1	724,346		3 A
Digital Switching - Central Office	2212.2	0	12,627	4 B
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	84,377	4,130	10 A
Analog Circuit Equipment	2232.2	98,297		11 A
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	17,119		13 A
Aerial Cable - Metallic	2421.2	0	3,252	14 A
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	0		16
Buried Cable - Nonmetallic	2423.1	1,262,923		17 A
Buried Cable - Metallic	2423.2	0	64,773	18 A
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	1,814		9,685	1
2123.2	1,855		0	2
2212.1	(175)	(671,348)	53,173	3 A
2212.2		696,974	709,601	4 B
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	(207)	98,297	187,011	10 A
2232.2		(98,297)	0	11 A
2232.3			0	12
2421.1		(17,119)	0	13 A
2421.2		17,119	20,371	14 A
2422.1			0	15
2422.2			0	16
2423.1		(1,262,923)	0	17 A
2423.2	12,580	1,262,923	1,315,116	18 A
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	32,496	12.5		1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	12,149	6.4	1,578	5
Buildings	2121	86,150	2.5	3,949	6
Furniture	2122	17,321	6.4	1,748	7
Office Equipment	2123	12,936	14.3	419	8
General Purpose Computers	2124	7,451	12.5	2,497	9
Total-- GENERAL SUPPORT ASSETS		168,503		10,191	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	412,248	8.5	69,178	11C
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	110,421	16.7	24,597	15
Total-- CENTRAL OFFICE ASSETS		522,669		93,775	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	8,021	9.0	197	19
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		8,021		197	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	345	6.0		21
Aerial Cable	2421	10,097	4.3	770	22
Underground Cable	2422	0			23
Buried Cable	2423	878,143	4.5	57,682	24D
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	0			28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	0			29
Total-- CABLE WIRE FACILITIES ASSETS		888,585		58,452	0
Total Accumulated Depreciation	3100	1,587,778		162,615	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					32,496	1
2113					0	2
2114					0	3
2115					0	4
2116					13,727	5
2121					90,099	6
2122	638				18,431	7
2123	3,669				9,686	8
2124					9,948	9
	4,307	0	0	0	174,387	
2211					0	10
2212	(175)			19,628	501,229	11 c
2215	0				0	12
2220					0	13
2231	0				0	14
2232	(207)			0	135,225	15
	(382)	0	0	19,628	636,454	
2311					0	16
2321					0	17
2341					0	18
2351					8,218	19
2362					0	20
	0	0	0	0	8,218	
2411					345	21
2421	0				10,867	22
2422	0				0	23
2423	12,580			319	923,564	24 D
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					0	29
	12,580	0	0	319	934,776	
3100	16,505	0	0	19,947	1,753,835	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	11,081	10.0	419	1
Company Communications Equipment	2123.2	1,855	14.3		2
Software	2212.1	412,248	25.0	8,208	3 A
Digital Switching - Central Office	2212.2	0	8.5	60,970	4 C
Digital Switching - Remote	2212.3	0			5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	43,033	16.7	24,597	10 A
Analog Circuit Equipment	2232.2	67,388	8.3999		11 A
Light Wave Circuit Equipment	2232.3	0			12
Aerial Cable - Nonmetallic	2421.1	10,097	4.3	770	13
Aerial Cable - Metallic	2421.2	0			14
Underground Cable - Nonmetallic	2422.1	0			15
Underground Cable - Metallic	2422.2	0			16
Buried Cable - Nonmetallic	2423.1	878,143	4.3		17 A
Buried Cable - Metallic	2423.2	0	4.3	57,682	18 D
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	1,814				9,686	1
2123.2	1,855				0	2
2212.1	(175)			(392,620)	28,011	3 A
2212.2				412,248	473,218	4 C
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	(207)			67,388	135,225	10 A
2232.2				(67,388)	0	11 A
2232.3					0	12
2421.1					10,867	13
2421.2					0	14
2422.1					0	15
2422.2					0	16
2423.1				(878,143)	0	17 A
2423.2	12,580			878,462	923,564	18 D
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	7,182	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(127,253)	5
Net Deferred Tax Liability Adjustments (4341)	8,643	6
Deferred Tax Regulatory Liability (4361)	(15,825)	7
Net Property Related Deferred Operating Income Taxes	(127,253)	
Less: Allocation to Nonregulated Activity		8
Net Regulated Total Property Related Deferred Operating Income Taxes	(127,253)	
NONPROPERTY RELATED		
Other Current Assets (1350)	0	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	(36,776)	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	(36,776)	

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
	(1,171)			6,011	3
7250				0	4
7250	37,503		(36,776)	(126,526)	5
	(1,799)			6,844	6
	2,970			(12,855)	7
	37,503	0	(36,776)	(126,526)	
				0	8
	37,503	0	(36,776)	(126,526)	
7250				0	9
7250				0	10
				0	11
7250				0	12
7250			36,776	0	13
				0	14
				0	15
	0	0	36,776	0	

NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)
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NONE

Total Notes Payable	<u><u>0</u></u>	1
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LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
REA #02010	04/27/1973	04/27/2008	2.0000	1
REA #02011	04/27/1973	04/27/2008	2.0000	2
REA #12020	12/09/1980	12/09/2015	5.0000	3
REA #12021	12/09/1980	12/09/2015	5.0000	4
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
2.0000			476,375	41,473	517,848	1
2.0000			1,263	110	1,373	2
5.0000			370,985	12,425	383,410	3
5.0000			17,698	592	18,290	4
	0	0	866,321	54,600	920,921	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
Common	5,500	10.00	1
TOTAL COMMON STOCK	5,500		
TOTAL	<u>5,500</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
COMMON STOCK:					
Common	5,238	52,380			1
	5,238	52,380	0	0	
TOTAL	<u>5,238</u>	<u>52,380</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	836,060	809,824	1
Changes:			
Balance Transferred from Income	342,295	261,210	2
Dividends Declared:			
Common	229,318	234,974	3
Preferred		0	4
Total Dividends Declared	229,318	234,974	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	949,037	836,060	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	51,945	43,148	160,508	1
Nonoperating Taxes (Accts. 7410 - 7450)		2,367	9,661	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		2,126	8,674	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>51,945</u>	<u>47,641</u>	<u>178,843</u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
1,661			319		257,581	1
					12,028	2
					0	3
					10,800	4
				(6,086)	(6,086)	5
					0	6
				5,970	5,970	7
				4	4	8
				112	112	9
1,661	0	0	319	0	280,409	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*		298,648	1
Basic Area Revenue (5001)	249,173		2 E
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)	1,281		6
Local Private Line Revenue (5040)	720		7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)	50,839		9 E
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	302,013	298,648	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	86,627	84,463	11
Switched Access Revenue (5082)*	213,996	207,163	12
Special Access Revenue (5083)*		0	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	300,623	291,626	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	273,420	251,616	15
Special Access Revenue (5084.3)*	14,529	16,236	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	287,949	267,852	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*			17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	19,022	21,932	30
Rent Revenue (5240)*		0	31
Corporate Operations Revenue (5250)*		0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*		1,357	33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)	1,213		35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)	(8,291)		37 F
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	(7,078)	1,357	
Interstate Billing and Collection Revenue*	22,039	16,127	39 G
Intrastate Billing and Collection Revenue*	113,318	135,381	40
Total Carrier Billing and Collection Revenue (5270)*	135,357	151,508	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	147,301	174,797	
GROSS OPERATING REVENUES	1,037,886	1,032,923	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*		1,201	42
Uncollectible Revenue--Telecommunications (5301)	9,133		43 H
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	9,133	1,201	
TOTAL OPERATING REVENUES	1,028,753	1,031,722	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	(551)	388		1
Less: Nonregulated		0		2
Net Regulated	(551)	388	0	3
Total General Support Expense (6120)	6,552	6,473	620	4
Less: Nonregulated		0		5
Net Regulated	6,552	6,473	620	6
Total Central Office Switching Expense (6210)	38,624	23,180	14,785	7
Less: Nonregulated		0		8 I
Net Regulated	38,624	23,180	14,785	9
Total Operator Systems Expense (6220)		0		10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	1,865	1,870	906	13
Less: Nonregulated		0		14
Net Regulated	1,865	1,870	906	15
Total Information Orig. / Term. Expense (6310)	1,361	961	261	16
Less: Nonregulated		0		17
Net Regulated	1,361	961	261	18
Total Cable and Wire Fac. Expense (6410)	110,944	41,386	31,249	19
Less: Nonregulated		0		20 J
Net Regulated	110,944	41,386	31,249	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	158,795	74,258	47,821	
Less: Nonregulated	0	0	0	
Net Regulated	158,795	74,258	47,821	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)		0		22
Less: Nonregulated		0		23
Net Regulated	0	0	0	24
Total Network Operations Expense (6530)	78,132	32,996	15,569	25
Less: Nonregulated		0		26 J
Net Regulated	78,132	32,996	15,569	27
Access Expense (6540)		0		28
Less: Nonregulated		0		29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	127,912	163,284		31
Less: Nonregulated		0		32 K
Net Regulated	127,912	163,284		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	206,044	196,280	15,569	
Less: Nonregulated	0	0	0	
Net Regulated	206,044	196,280	15,569	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			388		1
	0	0	388	0	2
6120	94		5,759		3
	94	0	5,759	0	4
6210	1,628		6,767		5
	1,628	0	6,767	0	6
6220					7
	0	0	0	0	8 I
6230	175		789		9
	175	0	789	0	10
6310	41		659		11
	41	0	659	0	12
6410	3,540	1,260	5,337		13
	3,540	1,260	5,337	0	14
	5,478	1,260	19,699	0	15
	0	0	0	0	16
	5,478	1,260	19,699	0	17
6510					18
	0		0	0	19
6530	2,714		14,713		20 J
	2,714	0	14,713	0	21
6540					22
	0		0	0	23
6560			163,284		24
			163,284		25
	2,714	0	177,997	0	26 J
	0	0	0	0	27
	2,714	0	177,997	0	28
					29
					30
					31
					32 K
					33

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	5,689	13,379	34
Less: Nonregulated		0	35 L
Net Regulated	5,689	13,379	0 36
Total Services (6620)	118,175	97,045	95 37
Less: Nonregulated		0	38
Net Regulated	118,175	97,045	95 39
TOTAL CUSTOMER OPERATIONS EXPENSE	123,864	110,424	95
Less: Nonregulated	0	0	0
Net Regulated	123,864	110,424	95
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	7,214	15,005	40
Less: Nonregulated		0	41 M
Net Regulated	7,214	15,005	0 42
Total General and Administrative (6720)	83,904	66,963	368 43
Less: Nonregulated		0	44
Net Regulated	83,904	66,963	368 45
Provision for Uncollectible Notes Receiv. (6790)		0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	91,118	81,968	368
Less: Nonregulated	0	0	0
Net Regulated	91,118	81,968	368
TOTAL EXPENSES	579,821	462,930	63,853
Less: Nonregulated	0	0	0
Net Regulated	579,821	462,930	63,853

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			13,379		34
	0	0	13,379	0	35 L
6620	(22)		96,972		36
	(22)		96,972	0	37
	(22)	0	110,351	0	38
	0	0	0	0	39
	(22)	0	110,351	0	
6710			15,005		40
	0		15,005	0	41 M
6720	36		66,559		42
	36		66,559	0	43
6790			0		44
					45
					46
	36	0	81,564	0	47
	0	0	0	0	48
	36	0	81,564	0	
	8,206	1,260	389,611	0	
	0	0	0	0	
	8,206	1,260	389,611	0	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)		0		1
Provisioning Expense (6512)		0		2
Total: Reported in Account 6510	0	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)		163,284		3 K
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0		4
Amortization Expense--Tangible (6563)		0		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	0	163,284		

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512					2
	0		0	0	
6561			163,284		3 K
6562					4
6563					5
6564					6
6565					7
			163,284		

OUT-OF-STATE OPERATING REVENUES

1. This schedule is to be completed only by those companies having out-of-state revenues. For the purpose of completing this schedule, and for PSCW use in calculating Wisconsin remainder assessment revenues, out-of-state revenues are specifically defined in headnote 2.
2. Out-of-state revenues are those derived exclusively from communications physically originating outside of Wisconsin. Out-of-state revenues do not include a) access revenues from "inbound" communications originating outside the state, or b) revenues from communications originating in Wisconsin and terminating outside the state, or c) revenues allocable to Wisconsin-based facilities used for communications originating and terminating outside of the state.

Description (a)	This Year (b)	
Out-of-state operating revenues		1
Less: current year write-offs of uncollectible accounts - out-of-state utility customers only		2
Plus: current year collection of out-of-state utility customer accounts previously written off		3
Net out-of-state operating revenues	0	

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	0	0	2
Gains and (Losses) from Foreign Exchange (7140)	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0	0	4
Other Operating Gains and (Losses) (7160)*	0	8,457	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	8,457	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(4,400)	(4,402)	6
Operating Federal Income Taxes (7220)*	196,302	164,380	7
Operating State and Local Income Taxes (7230)*	49,257	41,329	8
Operating Other Taxes (7240)*	53,925	68,658	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(37,503)	(46,207)	10
TOTAL OPERATING TAXES (7200)*	257,581	223,758	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	0	0	11
Interest Income (7320)*	64,675	75,808	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	0	0	16
Special Charges (7370)*	3,140	13,322	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	61,535	62,486	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	9,661	9,662	19
Nonoperating State and Local Income Taxes (7430)*	2,367	2,368	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes--Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	12,028	12,030	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	31,556	32,502	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	0	25
Other Interest Deductions (7540)*	7	11	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	31,563	32,513	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*		0	27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	16,109	6,667	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	53,237	1
Less: Cost of Goods Sold		2
Net Sales	53,237	3
Expenses (Acct. 7990.2)	37,128	4
Nonregulated Net Income	<u>16,109</u>	5

List the type of nonregulated activities that company is involved in:

CPE

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	63,853	1
Nonregulated Expense	8,207	2
Plant Accounts	8,643	3
Accumulated Depreciation Accounts	121	4
All Other Accounts	(250)	5
Total Salaries and Wages	80,574	6

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management				2
Other Employees	2.00	2.00	80,574	3
Total	2.00	2.00	80,574	

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management				2
Other Employees	2.00	2.00	80,574	3
Total	2.00	2.00	80,574	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	133	434	1
Extended Area Service	173	619	2
Extended Community Calling	40	126	3
Other Local-Undefined	0	0	4
Total Local	346	1,179	
TOLL			
Operator Handled: State--intraLATA	0	2	5
Operator Handled: State--interLATA	1	3	6
Operator Handled: Interstate	1	3	7
Customer Dialed: State--intraLATA	51	229	8
Customer Dialed: State--interLATA	26	114	9
Customer Dialed: Interstate	53	229	10
WATS	0	0	11
Other Toll-Undefined	0	0	12
Total Toll	132	580	
Total Local & Toll	478	1,759	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	6	4	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	4	1	0	0	4
Feature Group C -- Orig.	0	0	1,297	0	5
Feature Group C -- Term.	0	0	1,245	0	6
Feature Group D -- Orig.	1,144	929	232	0	7
Feature Group D -- Term.	1,649	465	0	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	2	1
Sheath miles of plant - buried	138	2
Sheath miles of plant - fiber optics	0	3
Strand miles of plant - fiber optics	0	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	10	1
56 kbps	0	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	2	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	2	1
Sheath miles of plant - buried	138	2
Sheath miles of plant - fiber optics	0	3
Strand miles of plant - fiber optics	0	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	10	1
56 kbps	0	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	2	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	117	118	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	3	4	6
Centrex Trunks	0	0	7
Centrex Lines	0	0	8
Key System Trunks	32	27	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	3	2	12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	5	5	16
- Semi-Public	2	3	17
- Cust. Owned	0	4	18
Other	0	0	19
Total Business Lines	162	163	20
Residential (Incl. Emp. Concess.)			
1 Party	1,731	1,814	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	2	0	25
Other	0	0	26
Total Residential Lines	1,733	1,814	27
Total Bus & Res Lines	1,895	1,977	28
Company Used Lines	8	13	29
Total Lines Used	1,903	1,990	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	3	1	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	0	58	7
Special Access-interLATA			8
(expressed in equiv. access lines)	0	24	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	83	107	13
TSPS - Trunks	5	5	14
EAS - Trunks	72	72	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	2,195,429	2,294,423	27
Total Company Square Miles	72	72	28
Total Company Route Miles	0	141	29
Footnotes			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0990				1
Business					2
1 Party	118				3
2 Party	0				4
4 Party	0				5
PBX Trunks/System Trunks	4				6
Centrex Trunks	0				7
Centrex Lines	0				8
Key System Trunks	27				9
Mobile (utility provided service)	0				10
Paging (utility provided service)	0				11
FX-Out (Switched)	2				12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	5				16
- Semi-Public	3				17
- Cust. Owned	4				18
Other	0				19
Total Business Lines	163	0	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,814				22
2 Party	0				23
4 Party	0				24
FX-Out (Switched)	0				25
Other	0				26
Total Residential Lines	1,814	0	0	0	27
Total Bus & Res Lines	1,977	0	0	0	28
Company Used Lines	13				29
Total Lines Used	1,990	0	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0990				1
Miscellaneous					2
WATS Lines - OutWATS	0				3
WATS Lines - 800 Service	0				4
FX-In-intraLATA	1				5
Special Access-intraLATA					6
(equiv. access lines)	58				7
Special Access-interLATA					8
(equiv. access lines)	24				9
Feature Group A Lines	0				10
Feature Group B Trunks	0				11
Feature Group C Trunks	0				12
Feature Group D Trunks	107				13
TSPS - Trunks	5				14
EAS - Trunks	72				15
Cellular Trunks (Pub. Sw. Net.)	0				16
Video Distance Learning					17
- discounted (special tariff)	0				18
Customers					19
Business - 2 Party Customers	0				20
Business - 4 Party Customers	0				21
Residential - 2 Party Customers	0				22
Residential - 4 Party Customers	0				23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	2,294,423				27
Exchange Square Miles	72				28
Exchange Route Miles	141				29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Nippon Electric	NEC	5
Northern Telecom	NTI	6
Siemens	SI	7
Stromberg-Carlson	SC	8
VIDAR	VI	9

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	CECIL				1
PSCW Exchange ID	0990				2
Central Office Name	CECIL				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	NTI				5
Year COE Installed	1983				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	S				8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	403.31				11
SS7?	No				12
9-1-1?	Yes				13
Access Lines - In Use	1,990				14
- Equipped	2,248				15
- Wired	2,248				16
Trunks - In Use	187				17
- Equipped	240				18
- Wired	288				19
ISDN Available?	No				20
ISDN Lines - In Use (BRI)					21
- In Use (PRI)					22
Switched 56 Service?	No				23
Switched 56 lines in use					24
Digital Transmission Facilities: DS-1 - In Use	9				25
DS-3 - In Use	0				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) ¹					32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	0				33
No. of fiber strands working (LIT) in C.O.	0				34
No. of fiber strands for interoffice use	0				35
Miles of fiber sheath in wire center	0				36
Access Tandem Serving this C.O.:					
- C.O. Name	CLINTONVILLE				37
- PSCW C.O. ID	1150-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	No				41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Identification and Ownership Footnote. Page 7

Data missing from load, entered by Cliff, corrected by RL July 24,1997

Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

Footnote. Page 30

Schedule Line Footnotes

- A) To reclassify plant balance to proper account. Net effect on plant is -0-.
- B) This adjustment consists of two parts. \$671,348 is related to footnote A (reclassification to proper account). The remaining \$25,626 is included in the adjustment column in order to tie out Plant in Svc-FOY on the plant schedule on page 22 to the Plant in Svc-FOY on the balance sheet on page 10. I was unable to change the FOY amount on the plant schedule.
- C) This adjustment consists of two parts. \$392,620 is related to footnote A (reclassification to proper account). The remaining \$19,628 is included in the adjustment column in order to tie out Balance-FOY on the Accumulated Depreciation schedule on page 26 to the Accumulated Depreciation balance-FOY on the balance sheet on page 10. I was unable to change the FOY amount on the accumulated depreciation schedule.
- D) To expense small items coded incorrectly in 1995.
- E) Prior year information was completed using Class B accounts. Overall increase in Total Basic Local Service Revenue is only 1%.
- F) Miscellaneous true up resulted in \$10K revenue decrease in 1996.
- G) Increase in message volume.
- H) Writeoffs prepared timely in 1996, was a lag from 1995.
- I) \$10K decrease in central office labor expense.
- J) 1995 included pension curtailment expenses as follows:
- | | |
|-------|----------|
| 6423 | \$48,958 |
| 6532 | 34,682 |
| 6623 | 567 |
| 6728 | 719 |
| ----- | |
| Total | \$84,926 |
- K) 1995 depreciation expense fell below the 6.0% required rate. Rates were adjusted in 1996 to comply.
- L) Increased marketing efforts by corporate and FC-Minnesota.
- M) Corporate chargebacks included in 6728 in 1995, spread to various accounts in 1996, including \$9K to G&A.